Saskatchewan
Ministry of
Agriculture

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*All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.*
*Please use this information at your own risk.*

# Cattle Market Update

For the Week Ending December 7, 2012

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

***Feeder Cattle***

**Steers**

| | Range | Average | Change |
|---|---|---|---|
| 300-400 | 171-197 | 180.40 | +0.32 |
| 400-500 | 152-185 | 163.86 | -0.45 |
| 500-600 | 140-166 | 149.28 | -2.34 |
| 600-700 | 134-153 | 140.70 | -0.67 |
| 700-800 | 129-141 | 135.08 | +0.81 |
| 800-900 | 122-137 | 128.17 | +0.92 |
| 900+ | 115-129 | 123.33 | +3.33 |

**Heifers**

| | Range | Average | Change |
|---|---|---|---|
| 300-400 | 138-157 | 148.13 | +2.14 |
| 400-500 | 131-155 | 140.14 | +0.97 |
| 500-600 | 126-150 | 132.83 | +0.74 |
| 600-700 | 121-136 | 127.23 | +1.05 |
| 700-800 | 119-127 | 122.75 | +1.05 |
| 800+ | 112-125 | 119.50 | +0.60 |

Source: Canfax.
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

Canfax reported that 28,096 head of cattle were sold in Saskatchewan this week compared to 42,038 head marketed during the previous week. This is a 33 per cent reduction in volume, week to week, indicating that the 2012 fall calf run is drawing to a close.

Feeder cattle prices were mixed compared to the previous week. Average prices for feeder steers weighing 700 lb. to 900 lb. increased marginally while the average price for heavy feeder steers weighing more than 900 lb. increasing $3.33 per cwt from the previous week. Larger weekly price variation is often observed in this weight class of feeder steers depending on the number of heavyweight feeder steers (weighing more than 1,000 lb.) marketed on any given week.

The average price for feeder heifers in all weight classes increased which helped to narrow the widening in the price spread observed in recent weeks.

The benchmark 500-600 lb. feeder steer average price decreased $2.34 per cwt to $149.28 per cwt while the 500-600 lb. feeder heifer average price increased $0.74 per cwt to $132.83 per cwt. This has narrowed the steer to heifer price spread this week to $16.45 per cwt compared to $19.53 per cwt last week.

The Saskatchewan 750 lb. feeder steer basis (compared to the December 6, 2012 U.S. feeder cattle index at US$146.53 per cwt) strengthened by $0.89 per cwt. to -$10.14 per cwt.

## *Fed and Non-fed Cattle*

| | December 7 | November 30 | Change |
|---|---|---|---|
| **Steers** | | | |
| Live | n/a | n/a | n/a |
| Rail | n/a | n/a | n/a |
| **Heifers** | | | |
| Live | n/a | n/a | n/a |
| Rail | n/a | 195.50 | n/a |
| **Cows (Alberta)** | | | |
| D1,2 Live | 67.08 | 65.63 | 1.45 |
| D3 Live | 58.48 | 58.48 | n/c |
| Rail | 130.00-135.00 | 130.00-134.00 | Steady to 1.00 higher |

Source: Canfax.

Note: Cow-calf producers in Saskatchewan are reminded to check with their local market operators regarding current market conditions for non-fed cattle. Producers are also reminded that old, thin cows have a very low market value. The non-fed prices quoted each week do not represent the market price for these animals. As an alternative to transporting these animals, you may want to check with your local veterinarian or the nearest CFIA office to see if these animals are eligible for testing as part of the bovine spongiform encephalopathy (BSE) surveillance program. Producers receive $75 from the CFIA for each eligible sample submitted. The goal of this program is to prove that the BSE control measures implemented in Canada are working.

Prices for liveweight, non-fed cattle in Alberta improved with D1,2 slaughter cows increasing $1.45 per cwt to average $67.08 per cwt.

Fed cattle prices in Western Canada continue to move higher with the price of fed steers in Alberta increasing $0.63 per cwt to $118.60 per cwt. This price represents the high in the fed cattle market during 2012. The fed cattle basis (Alberta cash to U.S. 5-area cash) was calculated at -$4.09 per cwt. This was an improvement in the basis of $2.93 per cwt from the previous week. In comparison, the fed cattle basis (Alberta cash to U.S. 5-area cash) was calculated at -$15.01 per cwt for the week ending October 12, 2012 when the Brooks, Alberta plant was closed and a backlog of fed cattle in Western Canada occurred.

On December 7, 2012, the United States Department of Agriculture's Food Safety and Inspection Service (FSIS) informed the Canadian Food Inspection Agency (CFIA) that Establishment 38, XL Foods Inc. has been re-listed, allowing the company to resume exports to the U.S. effective immediately (source: CFIA).

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$123.81 per cwt, a decrease of US$1.98 per cwt from last week. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$197.02 per cwt, a decrease of US$2.55 per cwt from last week's price of US$199.57 per cwt.

The value of the U.S. Choice cutout was reported US$1.18 per cwt lower at US$194.47 per cwt with the Select cutout value reported marginally lower at US$174.41 per cwt.

## *Friday Price Information*

| Product | | This Week (December 7) | Last Week (November 30) |
|---|---|---|---|
| **Canadian Dollar** (closing rate US$) | | 1.0091 | 1.0064 |
| **United States Dollar Index** | | 80.425 | 80.238 |
| **U.S. Cash Cattle** | | | |
| Thurs. Feeder Cattle (FC) Index (US$ per cwt) | | 146.53 | 146.24 |
| Seven-day Weighted Average FC Index Wt. (lb.) | | 741 | 737 |
| Live Fed 5-area Steer Price (US$ per cwt) | | 123.81 | 125.79 |
| **Feed Grains** | | | |
| **Barley** | Lethbridge ($/tonne) | 278.00 | 277.00 |
| | ($ per bu.) | 6.05 | 6.03 |
| **Corn** | Iowa State Average (CDN$/tonne)* | 286.36 | 293.38 |
| | (US$ per bu.) | 7.34 | 7.50 |
| | Omaha, NE (CDN$/tonne)* | 303.13 | 305.12 |
| | (US$ per bu.) | 7.77 | 7.80 |
| **Futures** | | | |
| | December Corn (US$ per bu.) | 7.32¾ | 7.48 |
| | March '13 Corn (US$ per bu.) | 7.37¼ | 7.52¾ |
| | December Live Cattle (US$ per cwt) | 125.875 | 126.725 |
| | February Live Cattle (US$ per cwt) | 130.400 | 130.400 |
| | January Feeder Cattle (US$ per cwt) | 148.775 | 145.625 |
| | March '13 Feeder Cattle (US$ per cwt) | 151.150 | 148.425 |

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

**For more information contact:**
**Grant Zalinko PAg**
Provincial Cattle Analyst
306-787-6607
grant.zalinko@gov.sk.ca